



Legislative Research Council

MINUTES

Legislative Planning Committee

Representative Scott Munsterman, Chair
Representative Steve Street, Vice Chair

Fourth Meeting
2012 Interim
October 18, 2012

Room 414
State Capitol
Pierre, South Dakota

Thursday, October 18, 2012

The fourth meeting of the Legislative Planning Committee for 2012 was called to order by Chair Scott Munsterman, at 8:30 a.m. (CDT) in Room 414 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Representative Scott Munsterman, Chair; Representative Steve Street, Vice Chair; Representative Charles Turbiville, Executive Board Chair; Senators Ryan Maher, and Mike Vehle; and Representatives Kristin Conzet, Jacqueline Sly, and Susan Wismer. Senators Bob Gray and Billie Sutton and Representative Val Rausch were excused.

Staff members present included James Fry, Executive Director; David Ortbahn, Principal Research Analyst; and Cindy Tryon, Legislative Secretary.

(NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was web cast live. The archived web cast is available at the LRC web site at <http://legis.state.sd.us> under "Interim Information – Current Interim – Minutes and Agendas.")

Minutes

REPRESENTATIVE TURBIVILLE MOVED, SECONDED BY REPRESENTATIVE CONZET TO APPROVE THE MINUTES OF SEPTEMBER 13, 2012. The motion prevailed unanimously on a voice vote.

Workforce Development - Industry

David Owen, Executive Director, SD Chamber of Commerce and Industry, and **Deb Mortenson**, Legislative Lobbyist, Associated General Contractors of South Dakota talked to the committee about workforce development from industry's viewpoint. Mr. Owen said this isn't a new problem and it isn't a problem that can be solved, but it should not be ignored. There was a James River summit on workforce development held in 2011. From that summit came a document listing seven recommendations (**Document #1**).

Young people need to be educated about the career opportunities that are out there. There are amazing opportunities in the health care field and in manufacturing. They need to be made aware of these opportunities so they can best prepare for them.

Ms. Mortenson said that while Mr. Owen gives a broad look at workforce issues, she takes a more narrow look by specifically discussing the construction industry in South Dakota. There are 19,200 people employed by the construction industry in South Dakota. There has been some decline in the number employed because of the recession. They always have a need for heavy equipment operators and certified drivers. The technical institutions are willing to work with the industry in developing classes to train workers for specific needs.

Ms. Mortenson pointed out that as the economy changes the industry changes. It is important to do a periodic reassessment of workforce needs in South Dakota.

Workforce Development – State Government Involvement

Pam Roberts, Secretary, SD Department of Labor and Regulation (DOLR), and **Dusty Johnson**, Chief of Staff, Governor's Office, talked to the committee about how the state is addressing these workforce development issues. Mr. Johnson said that workforce is the largest barrier employers have for expansion in South Dakota. Ms. Roberts gave a PowerPoint presentation about South Dakota's workforce (**Document #2**). There are 446,255 people in the South Dakota workforce and 20,840 of those are unemployed. The September rate of unemployment in the state was 4.4% and South Dakota's unemployment rate stays right around that percentage.

The unemployment rate reflects everyone looking for work, not just people collecting unemployment checks. About 1,200 people received unemployment checks last week.

Ms. Roberts said that the goal of DOLR is to enhance the workforce. They have a three point plan to assist in accomplishing that goal: (1) Get more eligible workers for our workforce; (2) Improve skills of the unemployed and get them employed; and (3) Recruit more people to our labor force.

There were 11,000 job openings in September of 2012. Jobs in South Dakota are projected to grow by 7.9% by 2020 and if nothing changes we will be short about 52,000 workers.

Mr. Johnson told the committee about the Governor's Workforce Initiatives (WINS) program (**Document #3**). There are twenty components to this program. The following are just four of those components: (1) Preparing our youth for the jobs that will exist in the future; (2) Training for skilled jobs; (3) Promoting rural health occupations; and (4) Housing. Additional information about this program can be found at SDWINS.com.

Mr. Johnson also talked about New South Dakotans, a workforce development program that has only been in existence for seven months. Through this program, after DOL has unsuccessfully had a job listed for more than 30 days they can enroll it into the New South Dakotans program. Manpower (a job recruiting company) then looks for resumes that fit that job and forward them on to the employer. Manpower only gets paid after the employee has been hired from one of their resume submissions.

Mr. Johnson thanked the committee for making workforce development one of their topics for research and discussion.

Public Testimony

Julie M. Johnson, *Absolutely! Aberdeen*, Aberdeen, SD, made several points regarding workforce development. Ms. Johnson said that businesses need to learn how to recruit veterans who will soon be returning home. She said that the state needs to teach our teachers about what opportunities are available to their students. She said that some teachers tell students that they will have to leave the state to become successful.

Another part of this issue that needs to be addressed is housing. Many areas that need more employees do not have adequate housing for people to move into the area. Ms. Johnson added that the state needs to make sure its drug testing and follow up programs are working effectively.

Workforce Development - Tribal Initiatives

J.R. LaPlante, Secretary, Department of Tribal Relations, told the committee that Native Americans make up about 10% of the state's population with over 20,000 residents living on the nine reservations. The studies show that eight of the top ten communities with the largest youth population are located on the reservations. There is a good source of workers living on our reservations. It is important to partner with tribal governments, tribal colleges, and small businesses already located on the reservations. Secretary LaPlante introduced the newest member of his staff, Andrea Rosenberg, Intergovernmental Liaison for the Department of Tribal Relations.

Sharon Vogel, Executive Director, Cheyenne River Housing Authority, talked to the committee about some of the things the Cheyenne River Sioux Tribe (CRST) is doing to prepare members of the community to enter the workforce. Ms. Vogel reported that they have 665 participants in their GED program. That represents about 65% of those on the CRST Reservation who do not have a high school diploma. There are 16 communities on the CRST Reservation and they have learning centers in the larger of those communities. Most of the GED students are between the ages of 22–25. Fifty percent of the participants are single. The biggest barrier for the students' success was transportation, but they now offer public transit so the students can get to the centers. The next barrier they are trying to address is childcare so the students' children have a safe place to go while the students continue working on their GED.

Ms. Vogel encouraged the state to take a close look at the GED programs in all areas where there is a high dropout rate. Those people who chose to drop out will want to make a better life for themselves and the GED is a good first step. With some help and encouragement, these people can become strong members of the workforce in South Dakota.

Eileen Briggs, Executive Director, Cheyenne River Sioux Tribal Ventures, distributed a copy of the Tribal Ventures newsletter to the committee (**Document #4**). In 2007, the Northwest Foundation partnered with Tribal Ventures to address poverty on the CRST Reservation. The

Foundation invested \$9.5 million to be used over a 10 year period. CRST is one of only three reservations in the country to have been selected for this program. Some of that money is being used to fund the GED program Ms. Vogel spoke about. It is also being used to survey the community to have more accurate data regarding the people who live there. The federal census figures are inaccurate as many of the people there did not participate in the census. This will allow them to tell their story more accurately.

Sioux Tribal Ventures has invested almost \$3 million in workforce development. They have three years remaining with the Northwest Foundation and then will need to look for investors elsewhere so they can continue the work they have started.

Arlen Lee, Director, Cheyenne River Sioux Tribe Oyate Connections, talked about programs that are available on the CRST through Oyate Connections. Some of those programs include GED preparation, classroom training, specialty training, childcare, and on the job training. Oyate Connections tries to address the obstacles of getting people to work, such as transportation and childcare. They are currently trying to start a 24-hour childcare program. This office is funded through the U.S. Department of Labor and the U.S. Department of Health and Human Services. At one time, they had received \$1.3 million to fund the program but funding for this year was \$899,000; so the funding keeps getting reduced.

Mr. Lee said that it is difficult to keep track of their success rates as many of the clients go off the reservation for employment after receiving the training. They have to go where the jobs are located.

Mr. Lee added that they have had successful collaborations with other tribes, businesses, and education institutions. For example, a trade union out of Chicago came to the CRST to conduct training. They also sent two students to Chicago to study pipefitting.

Senator Ryan Maher asked for advice on what can be done to help Indian youth who go on to higher education institutions remain in school. Mr. Lee suggested that the higher education institutions offer workshops/visits to the schools while the students are still in high school so that they have some idea of what to expect when they go on to a higher level of education. Secretary LaPlante added that it is important for the higher education institutions to understand the cultural diversity of the students and work with them. Many of the problems stem from the fact that the different cultures just don't understand each other.

Ryman Lebeau, Councilman, Cheyenne River Sioux Tribe, is the youngest council member and represents District 5. Mr. Lebeau said there are basically two economic levels on the CRST: the poor and the working poor. He said there are a few who are successful at ranching or farming, but very few make it to that level.

Mr. Lebeau said that at least half the money that comes on to the reservations leaves the reservation. There are so few businesses there that people have to leave the reservation to shop and for any type of professional services.

Right now the water system on the CRST Reservation is such that it is impossible to have new housing developments and very difficult for new businesses to build. However, they are working on a new water system and once that is completed there will be endless opportunities.

Senator Maher asked Mr. Lebeau about his ideas for helping retain Native American students in the higher education institutions. Mr. Lebeau suggested more of a presence in the high schools including college tours and stay overs for prospective students as they have no idea what to expect. Going off to a university can be a real culture shock for the Native American student coming off the reservation. Mr. Lebeau said that he attended one year at the university in Morris, MN, but then transferred to Haskell which is a tribal university. He said he was much more comfortable at Haskell University because they understood his culture.

Jesi Shanley, Workforce Services Liaison, Standing Rock Sioux Tribe (SRST), works for SRST's Chairman Murphy. She focuses mainly on economic development, community development and expanding the Tribe's land base. Ms. Shanley said that they conducted their own census and learned that their population was greatly underrepresented in the federal census results.

Ms. Shanley said that they, too, are offering GED training to their members. They have someone in each of their communities conducting this training, as 1,800 adult members have no high school diploma or a GED. Her agency also offers training programs in gravel crushing, CDL licenses, maritime drilling, and more. She said that their members have no work experience because there are no businesses there for them to be employed. She said the reservation is lacking private development.

Representative Jacqueline Sly asked Ms. Shanley what she believes are some of the biggest barriers for economic development on the SRST Reservation. Ms. Shanley said the lack of infrastructure is the biggest problem. Insufficient water systems make it impossible for new businesses to come in or existing businesses to expand. Another barrier is the housing shortage. Several branches of one family live in one house because they have no other option. Another barrier is jurisdictional conflicts. No one is sure who has jurisdictional control so nothing is done in many situations and people are not held accountable for their actions.

Lauri Bordeaux, Executive Director, Rosebud Sioux Tribe's Sicangu Nation Employment Training Program and **John Charles Arcoren**, Assistant Director, Rosebud Sioux Tribe's Sicangu Nation Employment Training Program talked to the committee about their program which is conducted for both the Rosebud Sioux Tribe (RST) and the Crow Creek Sioux Tribe (CCST). Their offices are in Rosebud. They receive funding from the U.S. Department of Labor, U.S. Department of Health and Human Services, and the U.S. Department of the Interior. From those agencies they receive about \$900,000 a year. An additional \$1.9 million has been received from grants and other programs.

This program will place a client in a position and pay their wages for six months while they get trained. They have been very successful in obtaining and sustaining jobs for the tribal members. They have about 40-50 clients at any one time and that includes clients from the Crow Creek Sioux Tribe.

They also oversee some small businesses such as a landscaping business. One of their largest projects is a solar heating business which employs several people at a higher wage. They manufacture the solar heat panels and the landscaping team can sell and maintain those panels.

The program operates its own radio station. They currently have two full scale wind farms in development. They are also looking at building three different community centers on the Rosebud Reservation and their program will provide the salaries for the workers building the centers.

One of the tribal members owns a log home business and the program hopes to partner with him and build log home kits that will be marketed throughout the country.

Mr. Arcoren said that the young people have to be engaged while still in grade school. They have to hear more positive and uplifting things not the negative. When we focus more on our successes we will change attitudes.

The program works with the youth through a summer employment project. They employ from 160-190 youth throughout the summer months. On Fridays, the youth must attend seminars on various topics. High school students need to know that if they get an education they can be successful.

Ms. Bordeaux said that they have a Tribal Council Page Program where youth can work for the council. She introduced two of the current pages, **Colin J. Whirlwind Soldier** and **Brianne Herman**, both of Mission. The two young people then answered questions from the committee.

Mr. Whirlwind Soldier said that he is 19. He would like to serve on the Tribal Council one day. He said he enjoys being a positive role model to the young people and it makes him feel like an older brother. He said he wants to be someone they can look up to. He said that the gang problem was very bad but it is starting to die down some. He said that playing sports helped him stay away from that lifestyle.

Ms. Herman said she just turned 21. She would like to serve on the Tribal Council one day. She is also interested in being a nurse or a counselor. She has worked since she was very young, first as a babysitter then as a lifeguard after turning 16. She said that both she and Mr. Whirlwind Soldier worked for the suicide prevention program.

Lewis Good Voice Eagle, Executive Director, Rosebud Sioux Tribe (RST) Office of Legislative Affairs, and **Damon Leader Charge**, RST Office of Legislative Affairs, talked to the committee about their office. The RST Legislative Affairs Office is a new department that is an extension of the Tribal Council and the President's office. Their office oversees the page program. Mr. Good Voice Eagle said that we live in a society where we all need to support each other. We all work hard teaching our children what it takes to be successful, now we need to all work together on these concerns and goals.

Secretary LaPlante said that one of many success stories on the Pine Ridge Reservation is the Sioux Preme industry that builds and sells caskets (**Document #5**).

Chair Munsterman said that he would like to keep this dialogue going and would ask Secretary LaPlante to meet with the committee again in the future. Secretary LaPlante said that the

committee members are invited to join him when he visits the different reservations throughout the state.

Future Direction

Chair Munsterman said that he would like to invite some of the regional economic development people to the next committee meeting. Representative Maher said to be sure and include an economic development person from a rural area such as Lemmon.

Chair Munsterman and Vice Chair Street both said that they would like to hear from someone with the South Dakota First business from Gary, SD.

Senator Vehle said that he would like to invite Secretary Roberts, Department of Labor and Regulation, to come back and talk about how the department's programs mesh with the programs on the reservations.

Representative Sly said that she would like to hear from some of the schools on the reservations. This would include college level on down.

The next meeting was scheduled for Thursday, November 29, 2012.

Adjourn

REPRESENTATIVE STREET MOVED, SECONDED BY REPRESENTATIVE TURBIVILLE TO ADJOURN. The motion prevailed unanimously on a voice vote.

The committee adjourned at 4:30 p.m.



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